

(Draft – Awaiting Formal Approval)
MINUTES OF THE
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE
Wednesday, May 15, 2013 – 9:00 a.m. – Room 450 State Capitol

Members Present:

Sen. David P. Hinkins, Senate Chair
Rep. Roger E. Barrus, House Chair
Sen. Gene Davis
Sen. Peter C. Knudson
Sen. Ralph Okerlund
Rep. Kay J. Christofferson
Rep. Stephen G. Handy
Rep. Lynn N. Hemingway
Rep. John Knotwell
Rep. Merrill F. Nelson

Rep. Curtis Oda

Rep. Angela Romero
Rep. Ryan D. Wilcox

Members Absent:

Rep. John R. Westwood

Staff Present:

Mr. Richard C. North, Policy Analyst
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Tracey Fredman, Legislative Secretary

Note: A list of other present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Barrus called the meeting to order at 9:05 a.m. Rep. Westwood was excused from the meeting.

MOTION: Sen. Okerlund moved to approve the minutes of the November 14, 2012, meeting. The motion passed unanimously. Rep. Handy and Rep. Wilcox were absent for the vote.

Chair Barrus invited committee members to introduce themselves.

Mr. North called attention to the "Legislator Preference for Receiving Interim Meeting Mailing Packets," which was included in the mailing packet, and requested committee members complete the form and return it to staff.

Mr. North also reviewed the "Open and Public Meetings Act, Summary of Key Provisions," which was included in the mailing packet.

2. Utah's Public Utility Regulatory Process

Mr. Ron Allen, Chair, Public Service Commission, presented "Public Service Commission of Utah" and provided committee members with an overview of the organization and purpose of the Public Service Commission. Mr. Allen commented on various aspects of docket procedures, hearings, and decisions made by the Public Service Commission and its statutory authority to supervise and regulate public utility businesses in Utah.

Mr. Chris Parker, Director, Division of Public Utilities, briefed committee members on the services the Division of Public Utilities provides to serve the public interest in maintaining fair utility rates and adequate and reliable service. He noted that the division also provides public advocacy support before the Public Service Commission when needed.

Ms. Michelle Beck, Director, Office of Consumer Services, explained that the Office of Consumer Services assesses the impacts of utility rate changes as they impact consumers. Ms. Beck also referred committee members to the Office of Consumer Services website at <http://ocs.utah.gov>.

Mr. Kevin Boardman, Vice President, Government Affairs, Rocky Mountain Power, introduced Mr. David Taylor, Manager, Regulatory Affairs for Utah, Rocky Mountain Power.

Mr. Taylor distributed "Regulation and Rocky Mountain Power" and discussed the regulatory process, the power service territory covered by Rocky Mountain Power, and the low electric rates that help attract businesses to Utah and allow existing businesses to remain competitive. He noted that electric rates in Utah are among the lowest in the United States.

Mr. Rey Butcher, Vice President, Government Relations, Questar Corporation, introduced Mr. Barrie McKay, General Manager, Regulatory Affairs, Questar Gas.

Mr. McKay distributed and presented "Questar Gas Company." Mr. McKay briefed committee members on the process of preparation for filing rate cases before the Public Service Commission.

3. Utility Pricing: Competitive Utility Rates in Rural Utah

Committee staff distributed 2013 General Session S.B. 202, "Extensions of Natural Gas Lines."

Sen. Okerlund introduced the topic and provided background on efforts being made to provide low, competitive utility rates to rural areas intended to attract new businesses to the state.

Ms. Linda Gillmor, Director, Economic Development, Millard County, commented on S.B. 202 "Extensions of Natural Gas Lines," which did not pass. She said the provisions of the bill would have introduced more competition on line extensions to remote areas in Utah.

Mr. Brian Florang, Manager, Finance Systems, Liqua Dry, Inc., explained that the growth of Liqua Dry, Inc. is dependent upon the availability of energy to Abraham, Utah, where the plant is located. He noted that passage of the legislation would result in increased hiring as the company's production would increase with the availability of more abundant energy sources.

Mr. Todd Thorne, Renegade Industrial, commented on the need for expanding natural gas to rural areas of the state through the legislation.

4. 2013 General Session S.B. 202, "Extensions of Natural Gas Lines"

Mr. Butcher introduced Mr. Brad Markus, General Manager, Customer Service and Marketing, Questar Gas.

Mr. Markus distributed and reviewed "Follow-up from November 14, 2012." He discussed developments in Sanpete and Millard counties, and anticipation of zone bids in the fall of this year.

Committee discussion followed. Mr. Markus and Ms. Gillmor responded to questions.

Sen. Okerlund stated his intention to develop the bill to be reconsidered in the 2014 General Session.

5. Committee Study Item Discussion

Chair Barrus led a committee discussion about potential future study items.

6. Other Items / Adjourn

MOTION: Sen. Hinkins moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Knudson, Rep. Oda, and Rep. Wilcox absent for the vote. Chair Barrus adjourned the meeting at 11:22 a.m.